

1 Q. Please explain why it is more accurate to allocate Group Insurance and
2 Employee Future Benefits costs as direct costs than to charge them as A&G
3 expenses.

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6 A. Group insurance and employee future benefit costs are directly related to
7 employees. Hydro believes the assignment of these costs in the same
8 manner that employee salaries are assigned provides a better fit with cost
9 causality.

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11 Please also see the response to NP 70 NLH.